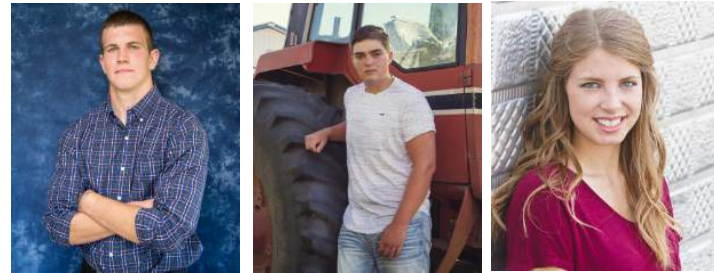


Congratulations 2019 Scholarship Winners

Congratulations to the recipients of this year's Ellsworth Cooperative Creamery Scholarships. The goal of this program is to provide scholarships to members of our cooperative's families who wish to continue their post high school education in Agriculture at a two-year technical school or a four-year university.



Allen Croes

Korlen Dittrich

Kristi Getschel



Jarek Nelson

Lindsey Skogen

We wish you all much success in your future careers!



Join us for deep fried cheese curds at these events:

Barron County - June 1

Picknell Family Farm, 790 6 1/2 Avenue, Prairie Farm, WI

Dunn County - June 8

Alfalawn Farm, N2859 290th St., Menomonie, WI

Showdown in Curd Town - June 8

Pierce County Fairgrounds, Ellsworth, WI

Goodhue County - June 14

Schrimpf Family Farm, 35939 205th Ave, Goodhue, MN

Pepin County - June 15

R. Green Acres, W8667 Raethke Lane, Pepin, WI

Pierce County - June 15

Peterson Family Dairy, W10322 State Rd 29, River Falls, WI

Buffalo County - June 22

Acorn Ridge Dairy, W890 Schoepps Valley Rd, Cochrane, MN

Wabasha County Family Night on the Farm - June 20

Stelling Farms, 62851 305th Ave., Millville, MN

PLUS... St. Croix County Farm Days - August, 17

Minglewood Dairy, Deer Park, WI

Follow us on Facebook!



/EllsworthCheese



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May 2019

Not your Mom's American Cheese

With the recent acquisition of Wohlt Creamery we've found ourselves educating employees, customers, and the general public about the nuances of processed cheese.

For many, processed cheese is the smooth and velvety orange cheese, sometimes perfectly cut into squares and wrapped in plastic sleeves--The cheese your mom used when making grilled cheese sandwiches.

A recent Thrillest.com article, "The Rise, Fall, and Comeback of American Cheese", shared how these singles were a luxury food item--from the shape to the flavor to the convenience, they were perfect in every way. Soon these pre-cut packaged cheeses were no longer just for the elite and could be found in nearly every household regardless of income level.

However, with today's many cheese choices, it seems Mom's kind of processed cheese has fallen out of favor. Americans are becoming more health-conscious and are avoiding all things "processed" opting for whole and real ingredients and items they perceive as healthier. According to the Thrillest.com article, "Instead of opting for the once-desired American cheese, everyone now seems to have a negative opinion on the flimsy, bright orange squares."

But maybe the consumer just doesn't know what they're missing? The article also included the stories of two burger chefs who value the quality of processed cheese and have turned to making their own, combining cheese varieties to create the perfect



processed cheese for their restaurants' kitchens. But that's just not realistic for most restaurants.

Enter our kind of processed cheese--the kind we make at Wohlt Creamery. What makes these gourmets labor to make their own small batch cheeses, and the qualities that made the processed cheeses of the past so desirable, is being created at our New London plant in a small-batch, high quality, and flavorful way, earning a reputation in the restaurant and food service industry.

Just like when cows are bred to possess ideal characteristics, we can do the same by combining various cheese varieties to create custom blends that ideally match our customers' cheese needs. For example, our proprietary EZ Melt recipe is ideal for making sauces that are smooth, creamy, and flavorful. From a cheese that melts perfectly atop a burger, to a cheese that has the ideal stretch for a pizza, each of our processed cheese formulas can meet a different customer need.

But that's not all! Having the ideal melt-ability or elasticity doesn't mean anything if it doesn't taste great. Wohlt cheese can offer the characteristics prized by discerning restaurant chefs while also offering quality flavor profiles and consistency. That's important for the restaurant and food service industry where an item needs to be replicated exactly the same each and every time.

As processed cheese makes its comeback, Wohlt ensures we're perfectly positioned to make the most of increased market demand.



Milk Quality Award Winners

At Ellsworth Cooperative Creamery, it all starts at the farm. We look to our producers and require they meet strict quality standards. We recognize and reward their efforts by naming our top three farm Milk Quality Award Winners. It's a tight race each year, and we're happy to announce our 2018 winners.



FIRST PLACE: Berkold Farm, Lake City, MN



SECOND PLACE: LNB Farms, Barron, WI.



THIRD PLACE: Maple Leaf Acres, Elk Mound, WI

Congratulations and thank you to these winners, and the dedication of all our family farms, for producing milk of the highest quality!

What's Next?

By Paul Bauer, CEO, Manager
paulb@ellsworthcreamery.net



It's hard to believe where we are today compared to a year ago. The cheese markets are acting normal. We do not have surplus milk flooding the state. Butter Fat and protein in milk are coming down in comparison to the last three years. Weather in the first quarter froze sales lowering the number of orders.

What has been working well for us since 2014? I would say we picked a course of action and stayed closed to that action plan. Our goal has been to transition to value added cheese to get the most value from the members' milk. That is still true, but the way we get there may be different than what I envisioned in 2014.

With the addition of Wohlt Creamery we are able to balance barrel cheese against our own needs to pursue the highest value for milk. Normally, we would need to keep making so many barrels to meet our customers' needs, regardless of if we made the best margin. Now we can balance to reach the higher margin of either selling milk or making barrel cheese. We get an added bonus if we short the market on barrels, causing the price to go up and thus raising the price for all our products. We are learning to use all the tools at our disposal to make higher margins with the milk we have.

So what is next? The next step for us is to explore what additional tools we

need to make or purchase to get the most from the members' milk.

We continue to explore what that may be, whether it's through by-product processing or better cheese making equipment. The more equipment, processes, and space we have the more we can then turn those into new products. New products create new revenue for the cooperative.

As an example we will be installing an option to make a stand-up retail curd bag. This will help reach the markets that don't have peg board space. We are also looking to place 20-two oz. curd packages in a bulk bag for retail sales in club stores. To assist with the year-end rush we will be using our rapid pack machine to package fudge more efficiently for Christmas gift boxes. This complimentary product will be gas-flushed so it can be made ahead of time while maintaining a fresh flavor. Expanding and offering more options allows us to deliver more choices to the consumer and food service.

Where we are having problems is on the international side. The tariffs on products going to China are hurting sales and profits. We have decreased the amount of sales to China and hope to have those pick up once the trade issues are resolved. We are also looking to expand in countries where we currently ship product. However, it will take some additional certification to expand into those countries.

Our cooperatives' options are not limited, rather we need to define what provides the best return—short and long term—to the members. That will be our focus going forward.

Our Board of Directors



Terry Thompson, Warren Johnson, Martin Hallock, Angela Bocksell, Scot Meyer, Randall Demulling, Daniel Rosen, Adam Place, Alan Sigurdson.

Our Board of Directors shares a big responsibility as they guide our cooperative into the future and safeguard the legacy of our founders and patron farm families.

The list of responsibilities for these posts are extensive and include the willingness to learn about finance, accounting, labor negotiations, production and manufacturing processes, and more. In addition, a successful board

member must be a master at relationships and teamwork, as well as a long-term visionary. Yes, it's a position fraught with as many challenges as rewards.

We wish to welcome our newest board members, who were elected to their posts during March's Annual Meeting, as well as acknowledge and thank our current board members for their continued hard work.



SEC. BRAD PFAFF VISITS ELLSWORTH...

Paul Bauer serves on the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) board with the goal of being a leading voice in the industry. He invited Brad Pfaff, Secretary-designee of DATCP, to Ellsworth to tour our creamery last month and to discuss solutions for challenges facing our state's dairy farmers.

CURDS COMING SOON!

Our cheese curd wagon has a dent! But we're not going to let a little damage from a shed collapse stop us! Repairs are taking place and it's still our goal to be deep frying cheese curds for customers out in front of the Creamery in Ellsworth Thursday through Sunday beginning Memorial Day Weekend! Be sure to enjoy a boat or two on your next visit!



Join us for the Cheese Curd Festival

We're counting the days until the Cheese Curd Festival on June 21-22! It's amazing to see the crowds that turn out to celebrate the squeaky white morsels that make our cooperative so proud. Last year's event was attended by 30,000 people—6X the attendees of the previous year!

The event offers amazing exposure for our product and Wisconsin's cheese industry. Of course cheese curds are the starring food, but there's also a real dairy ice cream tasting, milk & cookie pairing, and a Block Party that will give attendees the opportunity to taste a variety of Wisconsin cheeses all with a unique "claim to fame"!

These and other events are designed to create engagement with our target market. Festival planners are adapting to accommodate the larger crowds. The expanded footprint brings the festival even closer to our doorstep!

So come for a good time, and to satisfy your cheese curd cravings! In addition to natural cheese curds, we'll also be deep frying the cinnamon sugar curds that everyone loves so much, as well as Jalapeno Bacon curds! Details about the event can be found online at CheeseCurdFestival.com.